CITY OF WETASKIWIN

Financial Statements
and Reports - 1985

CITY OF WETASKIWIN

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR 1985

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CITY OF WETASKIWIN

FRANK S. DYCK, MAYOR

ALDERMEN

J. ARNDT	D. FRENCH	L. E. LOWEN
J. CHAU	WM. HUNCHAK	D. PIKE

CITY ADMINISTRATION

CITY MANAGER .....J. VAN DOESBURG

CITY CLERK .....MRS. A. M. HOPFE

DIRECTOR OF FINANCE .....G. J. BALASH

CITY ENGINEER .....H. W. ENMAN

CITY FINANCIAL CONTROLLER .....N. JETHA

CITY ASSESSOR .....D. PROUDLOCK

RECREATION DIRECTOR .....R. MYNDIO

FIRE CHIEF .....WM. BELL-BATHGATE

AUDITOR ..... ALLEN & STEPHENSON
Chartered Accountants

CITY SOLICITOR ..... SIRRS, WATSON, DECKERT
& ALLEN

FAMILY COMMUNITY SERVICES ..... T. TYMCHUK

BUILDING INSPECTOR, CO-ORDINATOR CIVIL DEFENCE .
..... C. HOYLE

MESSAGE FROM THE MAYOR

The 1985 fiscal year proved to be a very progressive one, despite depressed economic conditions. Building permits escalated from $1,874,833 in 1984 to $5,914,567 in 1985; an increase of 215%.

The City launched a two year program to ensure every street in Wetaskiwin is paved, and replace old watermain lines at the same time. This was made possible through the assistance of the Provincial Government by providing a grant to cover the cost of the street dig-out program required before paving.

Through some unexpected revenue windfalls, and stringent financial controls exercised by the Administration, the City not only cancelled the budgeted transfer from reserve, of $150,000; but, also, realized an operating surplus of $8,000 for the current fiscal year.

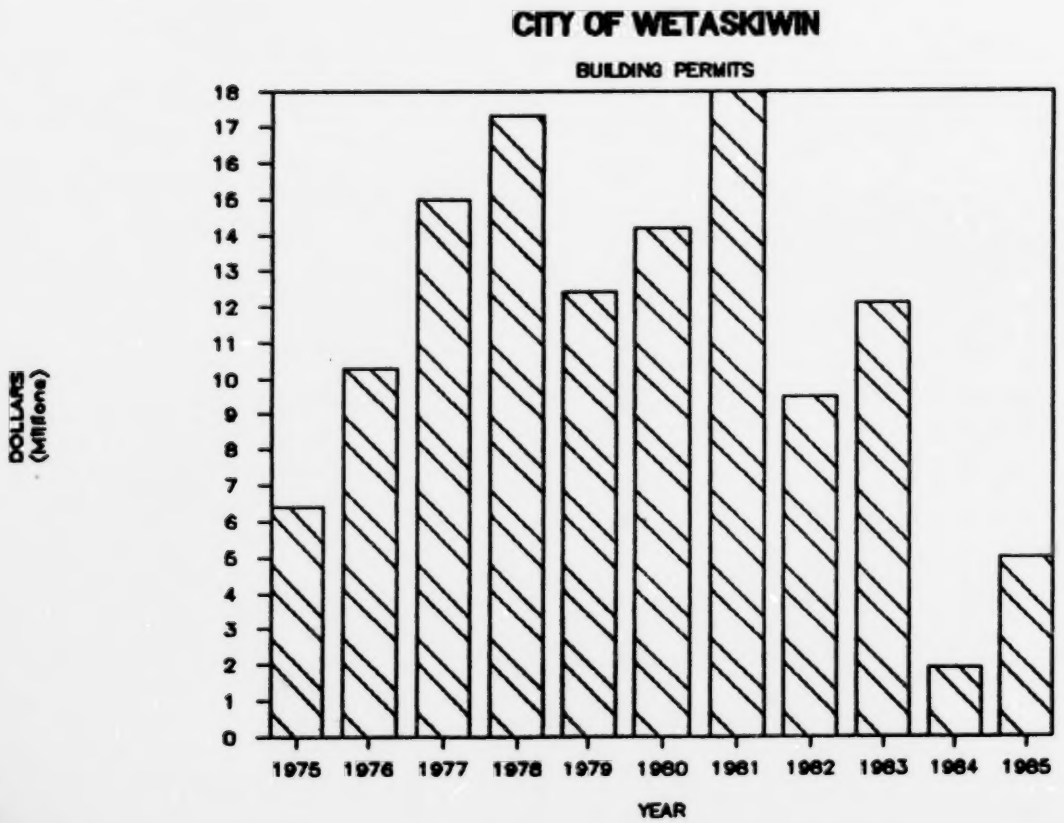
The economic outlook for 1986 looks even more promising than 1985. The City has passed a balance budget for 1986 with only a 2.9% increase in taxes, with no provisions to transfer reserve monies. This, I feel, is a great achievement when in 1983, $359,000 had to be transferred from reserves in order to balance the budet, and $201,830 in 1984.

The City of Wetaskiwin, in 1986, will continue to operate in a cost conscious fashion. We look forward to serving the citizens of Wetaskiwin efficiently and effectively.

Frank S. Dyck,
Mayor.

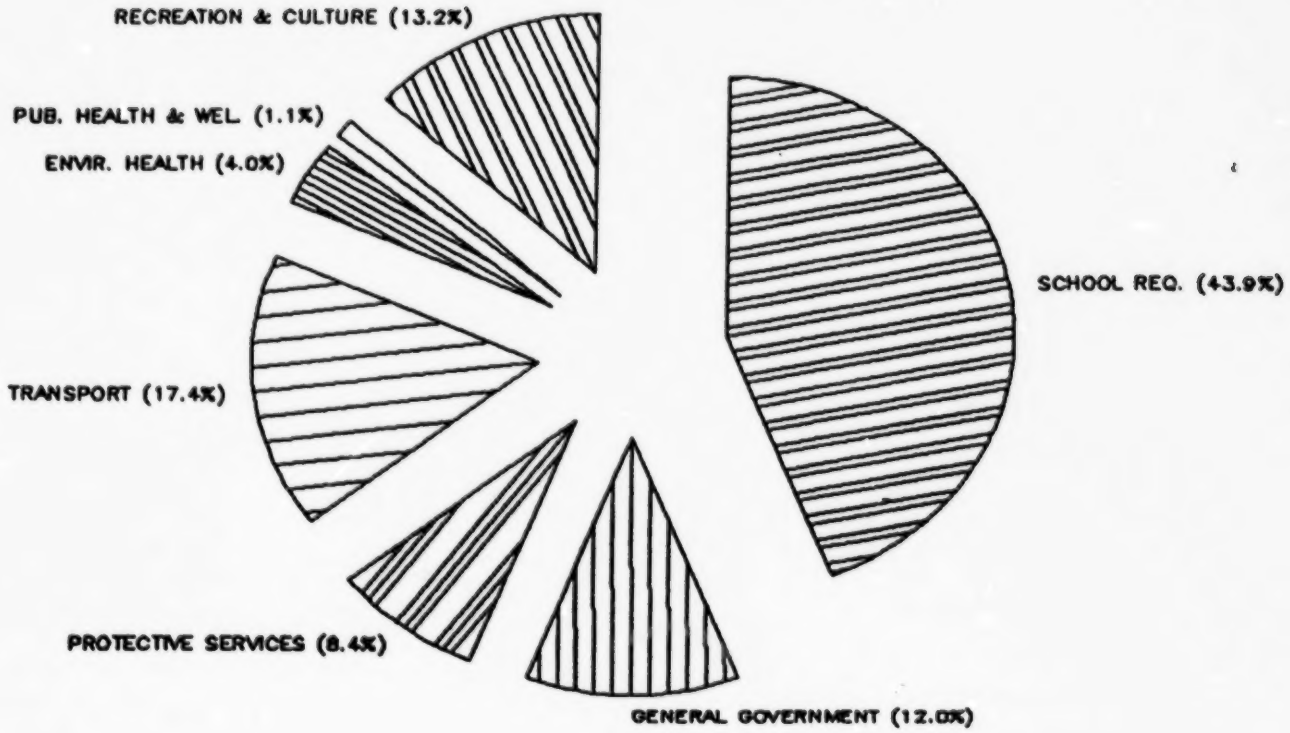
CITY OF WETASKIWIN

STATISTICS		1985	1984
Population (last census June 1983)		10,022	10,022
Area ha's		1,325	1,130
Building Permits:	Residential	$1,299,450	$ 634,200
	Commercial	2,961,180	1,148,970
	Industrial	85,000	-
	Institutional	1,568,937	91,665
		$5,914,567	$1,874,835
Mill Rate:	Residential - Public		
	Municipal purposes	11.06	10.53
	School purposes	8.01	7.64
		19.07	18.17
	Commercial		
	Municipal purposes	12.63	12.03
	School purposes	11.86	11.90
		24.49	23.93
Assessment -	Residential	$145,265,763	$144,474,650
	Commercial	$ 84,757,039	$ 81,145,130
	Taxable parcels	3,873	3,869



CITY OF WETASKIWIN

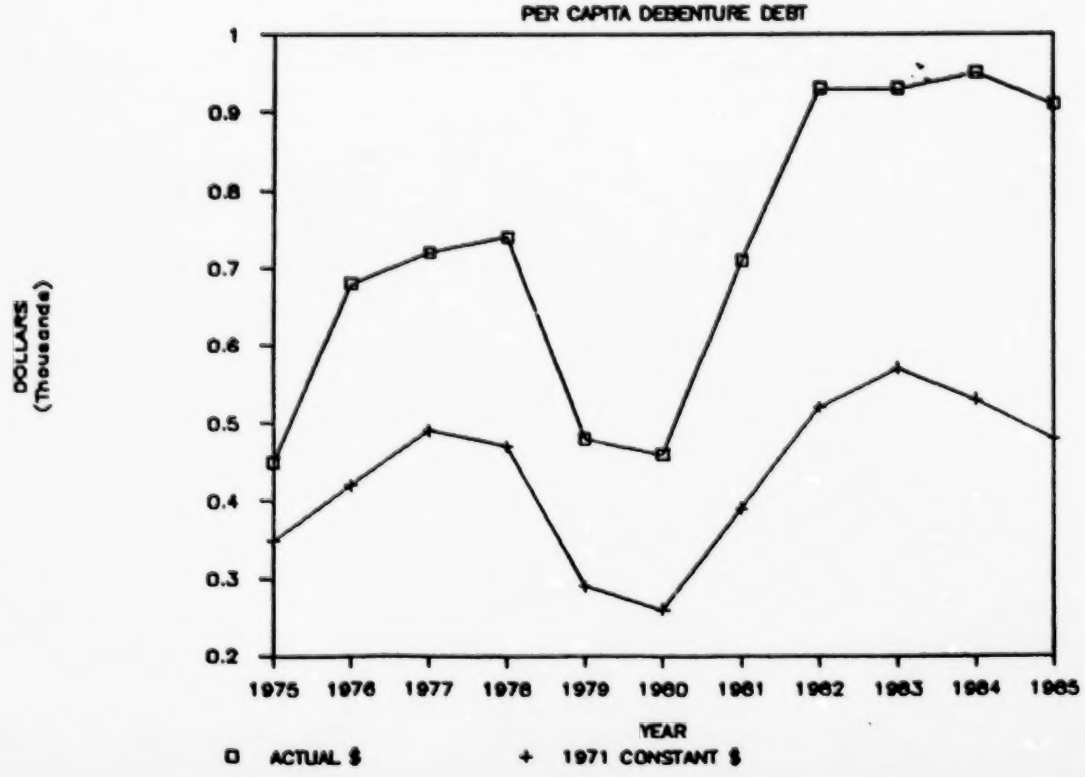
How Your 1985 Tax Dollar was Spent



N.B. School Requisitions do not include the School Foundation Requisition.

CITY OF WETASKIWIN

PER CAPITA DEBENTURE DEBT



Allen and Stephenson
Chartered Accountants

Members of the Institute of Chartered Accountants of Alberta

· ROD C. ALLEN, B.COMM., C.A.
· T. ALLAN STEPHENSON, C.A.
· DENOTES PROFESSIONAL CORPORATION

5110 - 50 AVENUE
WETASKIWIN, ALBERTA
T9A 0S6
(403) 352-7101

AUDITOR'S REPORT

To His Worship the Mayor and Members of Council of
the City of Wetaskiwin

We have examined the consolidated balance sheet of the City of Wetaskiwin as at December 31, 1985 and the consolidated statements of revenue and expenditure, accumulated operating surplus and equity in fixed assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements presents fairly the financial position of the City of Wetaskiwin as at December 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted accounting principles of Alberta Municipalities as outlined in the notes to the financial statements, applied on a basis consistent with that of the preceding year.

Allen & Stephenson

Chartered Accountants

May 5, 1986
Wetaskiwin, Alberta

CITY OF WETASKIWIN

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1985

ASSETS

	1985	1984
CURRENT ASSETS		
Cash on hand and deposit	$ 599,342	$ 559,964
Accounts receivable:		
Taxes	383,637	376,927
Province of Alberta	173,868	141
Other government sources	140,288	152,772
General	753,643	1,018,791
Investment - at cost	40	40
Inventory:		
Land held for sale	2,846,807	2,850,593
Other	246,047	173,058
Other assets	1,779	12,093
Total current assets	5,145,451	5,144,379
TRUST ASSETS ADMINISTERED		
Cash on deposit (Note 2)	1,491,090	1,815,831
FIXED ASSETS - at cost		
Land	822,889	846,139
Engineering structures	37,541,938	35,451,341
Buildings	7,069,730	7,036,055
Machinery and equipment	1,597,548	1,433,986
Vehicles	341,389	351,916
Total fixed assets	47,373,494	45,119,437
TOTAL	$54,010,035	$52,079,647

APPROVED ON BEHALF OF CITY COUNCIL:

F. A. Dyck

Mayor Frank Dyck

Alderman L. Lowen
Chairman, Finance Committee

LIABILITIES, EQUITY, RESERVES AND SURPLUS

	1985	1984
CURRENT LIABILITIES		
Short-term bank loans	$ 677,394	$ 11,500
Accounts payable:		
Trade	530,525	553,652
Fixed asset additions and improvements	132,842	25,280
Meter rentals and deposits	111,261	102,408
Deferred revenue:		
Prepaid local improvements and other	618,687	613,732
Total current liabilities	2,070,709	1,306,572
TRUST LIABILITY (Note 2)	1,491,090	1,815,831
LONG TERM DEBT DEBENTURES (Note 3)	13,889,206	14,117,471
EQUITY		
CAPITAL INVESTED IN FIXED ASSETS	35,622,109	33,948,168
OPERATING ALLOWANCE, RESERVES AND SURPLUS		
Allowance for uncollected taxes	383,637	376,927
Reserves (Note 4)	354,821	318,778
Accumulated surplus	198,463	195,900
Total operating	936,921	891,605
TOTAL	$54,010,035	$52,079,647

CITY OF WETASKIWIN

CONSOLIDATED STATEMENT OF EQUITY IN FIXED ASSETS

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985	1984
BALANCE - JANUARY 1	$33,948,168	$33,076,375
INVESTED DURING THE YEAR		
Capital grants and contributions	1,131,096	370,165
Transfers from reserves and operating	321,095	863,036
Debenture principal paid from operating	328,061	306,588
	35,728,420	34,616,164
DEDUCTIONS DURING THE YEAR		
Sale of fixed assets	106,311	235,477
Transfers to operations	-	432,519
BALANCE - DECEMBER 31	$35,622,109	$33,948,168

CONSOLIDATED STATEMENT OF ACCUMULATED OPERATING SURPLUS (DEFICIT)

BALANCE - JANUARY 1		
As previously reported	$ 195,900	$(1,754,053)
Adjustment of prior year	(5,379)	-
Transfer to current year operations	-	36,989
As restated	190,521	(1,791,042)
SURPLUS (DEFICIT) FOR THE YEAR	7,942	1,986,942
BALANCE - DECEMBER 31	$ 198,463	$ 195,900

CITY OF WETASKIWIN

CONSOLIDATED STATEMENT OF CAPITAL FINANCES ACQUIRED AND APPLIED

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985	1984
CAPITAL FINANCES ACQUIRED:		
Debentures issued	$ 312,600	$ 527,450
Investment income	125,096	94,406
Proceeds on sale of fixed assets	33,810	15,519
Provincial capital grants	909,330	157,962
Drawn from capital reserves	-	409,994
Contributions from operating functions	321,095	453,043
Developers agreements and levies	73,973	26,583
Other	29,197	121,294
Total finances acquired	1,805,101	1,806,251
CAPITAL FINANCES APPLIED:		
Additions to fixed assets:		
Engineering structures	2,067,347	856,608
Buildings	33,675	-
Machines and equipment	245,552	219,314
Vehicles	43,818	41,668
Debenture proceeds returned	217,410	-
Contributed to operations	6,500	432,519
Other	-	98,580
Total finances applied	2,614,302	1,648,689
(OVER) UNEXPENDED CAPITAL FUNDS FOR THE YEAR	(809,201)	157,562
UNEXPENDED (OVER) CAPITAL FUNDS - AT BEGINNING OF THE YEAR	107,109	(50,453)
(OVER) UNEXPENDED CAPITAL FUNDS - AT END OF THE YEAR	$ (702,092)	$ 107,109

OVER EXPENDITURES TO BE PROVIDED BY:

Borrowing approved but not received	$ 579,284
Future contributions from operations	115,806
Other	7,002
	$ 702,092

CITY OF WETASKIWIN

CONSOLIDATED STATEMENT OF OPERATING REVENUE AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1985

	Revenue		Expenditures		Net Cost (Surplus)	
	1985	1984	1985	1984	1985	1984
GENERAL MUNICIPAL SERVICES:						
Taxes levied for municipal purposes	$ 2,356,636	$ 2,117,607	$ -	$ -	$(2,356,636)	$(2,117,607)
Provincial planning fund requisition	-	-	32,909	36,087	32,909	36,087
School foundation program requisition	326,223	345,678	326,223	345,678	-	-
Local school board requisitions	1,846,942	1,736,902	1,846,942	1,736,902	-	-
Seniors foundation requisition	47,034	51,448	47,034	51,448	-	-
Mobile home license fees	37,150	26,295	-	-	(37,150)	(26,295)
Power, pipe, cable and other taxes	81,393	96,151	-	-	(81,393)	(96,151)
Federal grants - lieu of taxes	13,574	15,379	-	-	(13,574)	(15,379)
Provincial grants - lieu of taxes	257,911	258,137	-	-	(257,911)	(258,137)
Taxes and grants in lieu of taxes	4,966,863	4,647,597	2,253,108	2,170,115	(2,713,755)	(2,477,482)
Penalties and costs on taxes	94,595	129,407	-	-	(94,595)	(129,407)
Allowance for uncollected taxes	-	110,418	6,710	-	6,710	(110,418)
Revenues from franchise agreements	254,553	171,425	-	-	(254,553)	(171,425)
Investment income and short term borrowing costs	126,165	146,534	23,657	26,878	(102,508)	(119,656)
Other revenue from own sources	5,097	66,744	-	-	(5,097)	(66,744)
Provincial unconditional grants	737,954	728,648	-	-	(737,954)	(728,648)
	6,185,227	6,000,773	2,283,475	2,196,993	(3,901,752)	(3,803,780)
GENERAL GOVERNMENT SERVICES:						
Legislative	267	123	104,091	78,417	103,824	78,294
Administrative	192,792	212,787	929,765	889,359	736,973	676,572
	193,059	212,910	1,033,856	967,776	840,797	754,866
PROTECTIVE SERVICES:						
Police	397,041	379,784	744,631	715,471	347,590	335,687
Fire	4,450	6,105	153,188	130,926	148,738	124,821
Emergency measures	1,731	2,433	1,077	3,134	(654)	701
By-law enforcement	21,864	17,674	106,183	116,367	84,319	98,693
	425,086	405,996	1,005,079	965,898	579,993	559,902

TRANSPORTATION SERVICES:						
Common services	376	22,991	601,766	529,008	601,390	506,017
Roads and streets	909,770	699,997	1,412,063	1,434,603	502,293	734,606
Airport	149,717	160,636	160,046	170,071	10,329	9,435
Storm sewers	3,254	4,461	96,529	104,349	93,275	99,888
	1,063,117	888,085	2,270,404	2,238,031	1,207,287	1,349,946
ENVIRONMENTAL HEALTH SERVICES:						
Water supply and distribution	1,275,517	1,202,005	1,269,084	1,147,456	(6,433)	(54,549)
Sanitary sewer	271,886	257,501	518,663	480,141	246,777	222,640
Garbage collection and disposal	223,628	218,978	259,788	249,458	36,160	30,480
	1,771,031	1,678,484	2,047,535	1,877,055	276,504	198,571
PUBLIC HEALTH AND WELFARE SERVICES:						
F.C.S.S. programs	253,563	185,667	301,317	230,291	47,754	44,624
Day Care	171,595	167,552	193,641	169,035	22,046	1,483
Cemetaries	44,853	53,406	48,456	49,579	3,603	(3,827)
	470,011	406,625	543,414	448,905	73,403	42,280
ENVIRONMENTAL DEVELOPMENT SERVICES:						
Municipal planning and zoning	17,462	12,952	6,686	10,581	(10,776)	(2,371)
Community services	-	-	6,149	43,802	6,149	43,802
Subdivision land and developments	40,295	940,511	43,720	210,548	3,425	(729,963)
Public housing	19,700	9,552	17,219	13,485	(2,481)	3,933
	77,457	963,015	73,774	278,416	(3,683)	(684,599)
RECREATION AND CULTURAL SERVICES:						
Recreation board and administration	93,322	87,406	94,298	114,290	976	26,884
Recreation facilities and programs	473,722	397,273	1,187,144	1,163,661	713,422	766,388
Library	-	-	193,110	193,110	193,110	193,110
Cultural facilities and programs	14,112	19,801	26,113	33,508	12,001	13,707
	581,156	504,480	1,500,665	1,504,569	919,509	1,000,089
OPERATING CONTINGENCY	-	12,298	-	219,342	-	207,044
TOTAL OPERATING REVENUE AND EXPENDITURES	$10,766,144	$11,072,666	$10,758,202	$10,696,985		
OPERATING SURPLUS BEFORE EXTRAORDINARY ITEMS					(7,942)	(375,681)
EXTRAORDINARY ITEM - TRANSFER FROM RESERVES (Note 3)					-	(1,611,261)
OPERATING SURPLUS					$ (7,942)	$(1,986,942)

CITY OF WETASKIWIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The City uses accounting principles generally accepted for Alberta Municipalities. Significant aspects of these acounting principles include the following:

Basis of Presentation:

The City has organized its accounting system to segregate functions which reflect the net costs of carrying on a specific activity. Revenues and expenditures which are not directly related to any specific program are reflected in general municipal services. The consolidated financial statements include all of the municipal operating and capital services provided by the City.

Taxes Receivable

It is the policy of the City to provide an Allowance for Uncollectible Taxes equal to 100% of the Taxes Receivable Outstanding at the end of the year, irregardless of the actual collectibility thereof.

Inventory

Inventory of land held for resale is recorded at cost as a capital asset. The cost is written off against equity as it is sold. Other inventory which consists mainly of the water system and road maintenance materials is recorded at cost or replacement cost.

Fixed Assets

All fixed assets are capitalized at cost when acquired. Funds for the acquisition of fixed assets are provided from current operations, government grants, debentures and developers contributions. No depreciation is recorded on fixed assets.

Debenture Debt Payments

Principal and interest payments are recorded as operating expenditures by function in the financial statements. Principal repayments on debenture debt are added to equity in the year of repayment. Debenture interest is recognized on the cash basis and therefore no provision for interest accrued and not paid at the end of the year is recorded in the financial statements.

CITY OF WETASKIWIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Reserves and Allowances

Amounts transferred are shown as expenditures for operating functions and capital finances applied in the capital fund at the time they are transferred. When they are drawn down the amounts are shown as revenue for operating functions and capital finances acquired in the capital fund.

2. TRUST ASSETS ADMINISTERED

The details of trust assets administered are as follows:

	1985	1984
General	$ 74,399	$ 53,657
Capital Program:		
Special reserve community trust	298,752	263,782
Highway	1,117,939	1,498,392
	$1,491,090	$1,815,831

3. LONG TERM DEBENTURES

The debentures mature at varying dates from 1985 to 2007, and principal and interest payments thereon for the next five years are as follows:

	Interest	Principal
1986	$ 1,908,405	$ 360,771
1987	1,866,617	385,908
1988	1,820,894	401,372
1989	1,773,599	422,447
1990	1,722,201	451,996
1991 to maturity	14,032,576	11,866,712
	$23,124,292	$13,889,206

CITY OF WETASKIWIN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1985

3. LONG TERM DEBENTURES (Cont'd)

At December 31, 1985 the City has outstanding debentures payable with interest rates varying between 5.125% and 19%. The average annual rate is approximately 11.2%. The details of debentures outstanding are:

	1985	1984
Self liquidating	$ 4,712,112	$ 4,447,904
Local improvement	2,048,242	2,290,109
Tax supported	7,128,852	7,379,458
Total	$13,889,206	$14,117,471

4. RESERVES

The details of reserves are as follows:

	1985	1984
Operating:		
Water	$ 36,782	$ -
Sanitary Sewer	4,377	17,379
Subdivision land	147,407	141,271
Recreation	16,255	10,128
Contingency	150,000	150,000
	$354,821	$318,778

During a meeting on November 13, 1984 the Finance Committee passed a motion to eliminate certain reserves. The removal of these reserves in the amount of $1,611,261 has been treated as an extraordinary item on the statement of revenue and expenditure. The reserves eliminated are as follows:

Capital	$ 409,994
Operating	$1,201,267

5. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for the purpose of comparison have been reclassified in accordance with the current year's presentation.